



HOUSE MAJORITY OFFICE

FLORIDA HOUSE OF REPRESENTATIVES



REPRESENTATIVE RAY RODRIGUES, MAJORITY LEADER

CS/HB 7005: Economic Programs

- Together, the bill eliminates over 20 flawed programs, offices, entities, funds, and partnerships.
 - Taxpayers know how to spend their money far better than government does.
 - Economic success and failure are best governed by the free market.
 - Economic development incentives foster unfair competition by benefitting some firms and industries and not others.
 - Economic development incentives often subsidize private companies and their shareholders for economic actions they would have taken *regardless* of such incentives.
 - Business incentives divert attention and resources from other actions that lead to additional job creation and a better business climate for *all*, e.g.:
 - Broad based tax relief, reducing burdensome regulations, and making smart investments in education, infrastructure, or public safety
 - Economic incentives go to the businesses that need them the least: most incentives are doled out to existing Florida businesses that have over 1,000 employees.¹
- The bill eliminates Enterprise Florida, Inc. (EFI).
 - EFI lacks accountability and has used poor judgement in spending public funds:
 - EFI was originally designed to receive 50% funding from private businesses. Unfortunately, that number is closer to 10%, leaving taxpayers to foot the rest.
 - Former executive director hired a speech writer for over \$150,000, purchased custom furniture for \$92,000, and received a severance package of at least \$132,000.²
 - EFI increased their executive payroll by \$600,000 over six years, but added only two employees.³
 - A vast majority of EFI programs lose taxpayer money.⁴
 - Notable bad EFI-lead deals:
 - State paid Digital Domain \$20 million⁵ and it went out of business⁶
 - State paid Sanford Burnham over \$150 million⁷ and they are preparing to leave⁸
 - State paid the Intl. Game Fish Association World Center Facility almost \$15 million⁹ and they left almost immediately after receiving the last state incentive payment¹⁰
 - State paid Torrey Pines almost \$25 million¹¹ and they did not meet their employment goal¹²

¹ Office of Program Policy Analysis and Government Accountability, Agency Review – Enterprise Florida, Inc., and Department of Economic Opportunity, Report No. 16-09, 14, Dec. 2016

² <http://www.tallahassee.com/story/news/2016/07/04/enterprise-florida-executive-pay-increased-75-percent-six-years/86665090/>
<http://www.orlandosentinel.com/news/politics/>

³ <http://www.tallahassee.com/story/news/2016/07/04/enterprise-florida-executive-pay-increased-75-percent-six-years/86665090/>

⁴ Legislative Office of Economic and Demographic Research, Florida's Financially-Based Economic Development Tools & Return on Investment, 7, Jan. 11, 2017.

⁵ <http://www.flgov.com/wp-content/uploads/2013/03/report.pdf>

⁶ <http://www.mypalmbeachpost.com/news/the-downfall-digital-domain-how-public-millions-vanished/zNr7bwo0govvRSidMPPpO/>

⁷ <https://www.enterpriseflorida.com/wp-content/uploads/12.30.2014-DEO-Economic-Development-Incentives-Report.pdf>

⁸ <http://www.orlandosentinel.com/news/politics/political-pulse/>

⁹ <http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1501rpt.pdf>

¹⁰ <http://www.sun-sentinel.com/news/fl-fish-museum-leaving-dania-20150320-story.html>

¹¹ <https://www.enterpriseflorida.com/wp-content/uploads/12.30.2014-DEO-Economic-Development-Incentives-Report.pdf>

¹² <http://www.tcpalm.com/story/news/local/shaping-our-future/growth/2016/11/17/torrey-pines-breach-state-agreement-wont-receive-more-state-money/93983004/>